

FY 2008 A-123 (Appendix A) Implementation



Below are upcoming key deliverables for the Department's FY 2008 A-123 (Appendix A) evaluation and guidance on the preliminary assurance.

Completion of Testing – June 30, 2008

The June 30 due date is a Department-wide cut-off established to align with the "as of" assurance date, and also allow sufficient time for teams to wrap up the evaluations, populate the A-123 Assessment and Reporting Tool (AART) with the evaluation results, develop corrective actions plans (if necessary), and develop preliminary assurance reports. Please note that the AART is not required to be submitted on this date.

3rd Quarter Reporting Submission – July 30, 2008

The submission is to include the AART (including those of site contractors) and, for Federal implementations, a preliminary assurance. We are requesting that all implementations—including site contractors and Headquarters organizations that are assessing Process Controls—run the Assurance Tool in the AART as part of the 3rd Quarter submission. This will ensure that the preliminary assurances are based on the most current information.

Site Contractor Implementations

Site contractor implementations should follow the instructions in **Sections D, F and G** of the *Reporting and Assurance* Quick Start Guide to run the Assurance Tool prior to sending the AART to their respective Field Office. (Also see 'Don't Forget To' below.)

Federal Implementations

Federal field-level implementations should follow the instructions in **Sections A, B (Steps 1 and 2), D thru G** of the *Reporting and Assurance* Quick Start Guide to prepare for the quarterly submission and run the Assurance Tool. Headquarters-level implementations that have limited their assessments to Entity Controls should follow the instructions in **Section B (Steps 1 and 2)** of the *Reporting and Assurance* Quick Start Guide to prepare for the quarterly submission. Those Headquarters organizations that have also assessed Process Controls should follow the instructions in **Sections B (Steps 1 and 2), D, F and G** to prepare for the quarterly submission and run the Assurance Tool.

Preliminary Assurances: The preliminary assurance should indicate whether you plan on providing an:

- **Unqualified Assurance** – that is, controls are working effectively and no material weaknesses were identified; or a
- **Qualified Assurance** – that is, you identified or anticipate having internal control deficiencies that would rise to the level of a **material weakness** by the time of the final assurance. (Include a title for the material weakness, a brief description of the internal control deficiencies, the material accounts potentially impacted, and the range of dollar impact, if possible.)

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The preliminary assurance should also indicate whether you have:

- Identified or anticipate having any internal control deficiencies that would rise to the level of a **reportable condition** by the time of the final assurance; or,
- Identified or anticipate having any other issues related to internal control that could potentially impact your final assurance.

Consideration of Special Circumstances: The following items, at a minimum, should also be considered as part of determining the level of preliminary assurance to provide:

- Deficiencies identified during the evaluation of items not in the FY 2008 assessment scope. You must consider all known deficiencies, regardless of whether the A-123 evaluation that identified them was required in the current fiscal year.
- Deficiencies identified by outside parties (e.g. auditors or other external reviewers). You must consider all known deficiencies, regardless of whether they were identified through the A-123 process. If external parties note a deficiency, and it could result in a material weakness at the local level, then it should be considered. Any issue determined to be a material weakness should be reported.

(Also see 'Don't Forget To' below.)

Form / Transmittal of Preliminary Assurances: Preliminary assurances do not need to be transmitted by formal memorandum signed by the head of the organization. However, the preliminary assurance should be concurred on by the head of the organization prior to submission.

The 3rd Quarter submission should be sent to the A-123 Help Desk at A-123Helpdesk@hq.doe.gov.

Don't Forget To:

- ✓ Use the correct values (\$,000) when entering the Total Account Balance (as of June 30th) for each Material Account identified as having a deficiency
- ✓ Press the ARCA Update button in both ARCA-ECS and ARCA-PCS prior to running the Assurance Tool for the 3rd Quarter submission
- ✓ Review contractor assessment data in the AART and make any necessary modifications to the preliminary assurance to reflect significant ARCA information (e.g., FY 2008 Corporate Assessment Scope not completed) [Field Office Only]